Line 17, change "1210" to —1209—.

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Lines 4-5, change "If the patient record contains the minimum criteria for an EOC then" to —After all valid EOCs have been assigned to a unique profile—.

Lines 8-9, change "Patient records that have not been rejected by this point in the process" to —The data from qualified EOCs—.

Line 9, after "category" insert —parameter—.

Line 10, change "1211" to —1210—.

Lines 15-17, delete "The information generated is driven by the index code and is sorted chronologically and by category of procedures."

Line 21, change "1212" to —1211—.

Line 22, change "a on-line" to —an on-line—.

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Lines 1-3, delete in their entirety.

## IN THE CLAIMS

Please cancel claims 1-37.

Please add new claims 38-55 as follows:

38.    A computer-implemented process for processing medical claims including the steps of:

(a)    reading a medical claim data, input as at least one of a plurality of data records, into a computer memory;

(b)    validating each of the at least one of a plurality of data records for at least one of a diagnosis code and a treatment code;

(c)    reading at least one pre-defined relationship between the at least one of a diagnosis code and a treatment code in the validated at least one of a plurality of data records and pre-defined episode treatment categories; and

(d)    grouping the validated at least one of a plurality of data records to an episode treatment category based upon the pre-defined relationship, each episode treatment category having a dynamic time window defining a time period during which validated at least one of plurality of data records may be grouped to an episode treatment category.

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39. The process as claimed in claim 38 wherein the step (e) further includes the step of assigning treatment and cost information to the episode treatment category.

40. The process as claimed in claim 38 wherein the step (e) further includes the step of classifying the patient records into at least one of a plurality of episode treatment groups each of the plurality of episode treatment groups being defined by an episode treatment category.

41. The process as claimed in claim 40 wherein the episode treatment groups further comprise clinically homogeneous groupings with respect to the underlying cause of illness and treatment requirement.

42. The process as claimed in claim 40 wherein an active and open episode treatment group comprises an episode treatment group number, sequential episode number, and most recent anchor date of treatment.

43. The process as claimed in claim 38 wherein step (d) further comprises the step of gathering data from in-patient, ambulatory and ancillary claims for each patient.

44. The process as claimed in claim 38 wherein step (d) further comprises the step of gathering relevant information during the treatment episode, regardless of treatment duration, including provider data, CPT code data and diagnosis code data.

45. The process as claimed in claim 38 further comprising the step of outputting and discontinuing processing of invalid data records and comparing diagnosis and treatment code data.

46. The process as claimed in claim 38 further comprising the step of flagging valid claim records with a diagnosis code.

47. The process as claimed in claim 38 further comprising the step of resetting the predefined time window of the medical episode when a second at least one of a plurality of data records matches an open medical episode the predefined time window being reset for an

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additional period of time until no other data records are grouped to the open medical episode within the reset predetermined time windows.

48.     The process as claimed in claim 47, wherein step of resetting the predefined time window of the medical episode further comprises the step of selecting a most recent claim record if more than one matched claim record exists.

49.     The process as claimed in claim 38, further comprising the step of identifying medical care providers treating a patient in similar episode treatment categories by Primary Care Physician.

50.     A computer-implemented process for processing medical claims including the steps of:

(a)     reading a first patient's medical claim data, input as at least one of a plurality of data records, into a computer memory;

(b)     validating each of the at least one of a plurality of data records for at least one of a diagnosis code and a treatment code;

(c)     reading at least one pre-defined relation between the at least one of a diagnosis code and a treatment code in the validated at least one of a plurality of data records and pre-defined medical episodes; and

(d)     grouping the validated at least one of a plurality of data records to at least one of a plurality of episode treatment groups, each of the at least one of a plurality of episode treatment groups further comprising an episode treatment group identifier, a most recent anchor from date of treatment and a most recent sequential anchor record count.

51.     The process as claimed in claim 50 further comprising the step of outputting and discontinuing processing of invalid data records and comparing diagnosis and treatment code data.

52.     The process as claimed in claim 50, further comprising the step of flagging valid claim records with a diagnosis code identifier.

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